

AKITA
Intelligent Solutions

Adopting A CRM System

Creating A Business Case

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Improving an organisation's performance often starts with improving its processes.

A customer relationship management (CRM) system is a powerful tool for standardising and centralising data about customers and sales opportunities. In addition, CRM systems also have the power to streamline processes, improve sales engagement and grow revenues as a result.



For this reason CRM software is widely adopted among organisations with around 65% of businesses adopting a CRM system in their first five years of operation

With additional benefits of improving time management and simplifying customer service delivery, it's not surprising that 9 out of 10 organisations with more than 11 employees use a CRM solution[2] of some kind.

For organisations that don't currently use CRM software, the perceived step-change in processes can prove a mental barrier to adoption.

Costs too are often not inconsiderable, meaning that a CRM system is generally not a casual investment.

As drive for change will often come from one corner of an organisation, it's important to construct reasoning that encompasses all areas of operations.

This guide therefore offers advice on creating a comprehensive business case for adopting CRM software.

1 https://www.capterra.com/customer-relationship-management-software/user-research-infographic

2 https://review42.com/resources/crm-statistics/

Align To Your Strategic Goals

A business case for a CRM system should begin by aligning to the overall objectives of your organisation.

Most organisations target growth of some form as their business objective. And generally speaking, that's exactly what CRM software can achieve.

Knowing that these two things are compatible, it's then a matter of aligning your prospective CRM technology to your organisation's more strategic goals.

Every organisation should have a business strategy or plan(s). Explaining how a CRM system can help you meet planned targets is more likely to gain interest.

For example, instead of talking about how the CRM software streamlines data collection, communicate how improved business intelligence can drive increased sales conversions.

Speaking your

Part of creating any business case is removing the sense of challenge from a CRM deployment. That means explaining how the gains outweigh the efforts.

For stakeholders, therefore, focusing on results – rather than the intricacies of the technology – will help to make it clear how CRM software can work as part of your business plan rather than detract or distract from it.

And if you can go a step further, and demonstrate how a CRM system can assist specific managers in achieving their KPIs, you'll likely face less opposition from these individuals.



Calculate The ROI

Every organisation wants to ensure that time and money spent on a project are worthwhile. So business decisions are often calculated on the expected return of investment(ROI).

ROI measures when a business can expect to gain a return from its investment – and by what magnitude.

Principally, this will be based on the cost of the project. A more sophisticated calculation, however, will also take into account the time involved in successful deployment (from stakeholder engagement through to end user training and onboarding) as well as the wider total cost of ownership (ongoing licensing, maintenance costs and so on).

Leaning on a partner

Calculating the ROI of CRM software is an excellent way to show other members of an organisation that the software is a worthy investment. However, without in depth knowledge of the CRM software in question, this can be difficult to ascertain.

This is where your CRM deployment partner (or prospective partner) can demonstrate their value.

Even without a full scoping exercise, a partner should be able to give you an indication of a CRM system deployment cost based on your intended use case, as well as projections on the wider total cost of ownership.

Your partner should then be able to point to comparable use cases and success stories, using the metrics of other organisations they've worked with to create a calculation of the potential return.

Wider ROI calculations

ROI calculations using the above method can give you an indication of potential. But other approaches can be more specific.

Beyond projected financial gains, ROI calculations should also factor in productivity improvements. Time, after all, is money.

Working with your partner, try to model common as-is processes. Then, rely on your CRM partner's expertise to formulate how the process can be performed with CRM software and the potential time taken. Then compare the two processes.

At the very least, there should be a tangible time saving. At best, the process will be completely automated, freeing up the user to perform other more worthwhile tasks.

Modelling the time savings of a few key roles within your organisation will quickly demonstrate the productivity benefits of a CRM system. These productivity calculations can then bolster any projected financial gains.

This in turn will help create a stronger, more detailed ROI calculation.



Beat Your Own Targets

If you've aligned your prospective CRM software to your organisation's goals and demonstrated potential ROI, it's now time to be bold.

Once in place, CRM systems have the potential to far exceed performance expectations. Even minimal gains in efficiency and effectiveness can translate into big benefits.

This can take a while for organisations to adjust to. It can therefore be valuable to construct a new set of business goals ahead of time that CRM software can help you achieve.

Creating new goals

Before you pick wild new targets, work with your CRM software partner to get their view on what the software might bring. They should be able to help you create an upper end of expectations.

This can then be communicated to your business in line with your current goals – how much more market share will you take, how much better will productivity be, or how much faster will you hit targets.

Keep It Real

Be aspirational, but not outside the realms of possibility. If you're an SME organisation now, you're unlikely to be a multi-national next year. But you may be competing with organisations above your current marketplace, or attracting larger or higher profile customers.

Winning your audience round

The benefits of creating new goals are twofold.



The first is to demonstrate to stakeholders your commitment to this business case – you're thinking boldly outside of current boundaries.

The second benefit is challenging mindsets. Advocates of CRM software among your stakeholders will likely rally behind new aspirational targets. In contrast, detractors will be less inclined to openly object to well-drafted and evidence-based targets.

Play your cards right

Developing entirely new business goals is a bold strategy for arguing for CRM software. So it's one that should be delivered tactically.

You can use it to enhance an already strong ROI calculation. Alternatively, save it for a time when naysayers appear to have the upper hand. Keep it as your trump card.

Gauge The Risk

A good CRM business case will demonstrate how software will improve performance. But a comprehensive business case will also factor in the risks inherent in the project. This may include the following:



Execution risks

CRM deployments can go wrong. From unending project drift to failed user adoption, problems can occur and be incredibly costly.

Outlining the potential risks and how these will be circumvented (with the assistance of your partner) demonstrates both a mature approach to the deployment process and a solid understanding of your organisation.

Incremental costs

A CRM system is a long-term commitment, so any calculations on ownership should look well beyond Year One costs.

Factor in what costs may look like if your organisation expands rapidly and all users require licences.

And look carefully at additional data costs(common for cloud applications) should you reach any permitted limits – this is often overlooked and typically more than organisations think.

Thinking Long-Term

Redundancy

Your CRM solution needs staying power. A cheap option may work at first, but it's unlikely to scale as your organisation finds success. You then risk limiting your organisation, and ultimately, having to pay for another new CRM system (as well as an expensive data migration).

As part of risk analysis, assess the types of organisations using your proposed technology. Check their sizes and that at least some are aligned to your industry. Where possible, see what these organisations' next stages of CRM development were – this could be you in a few years' time.

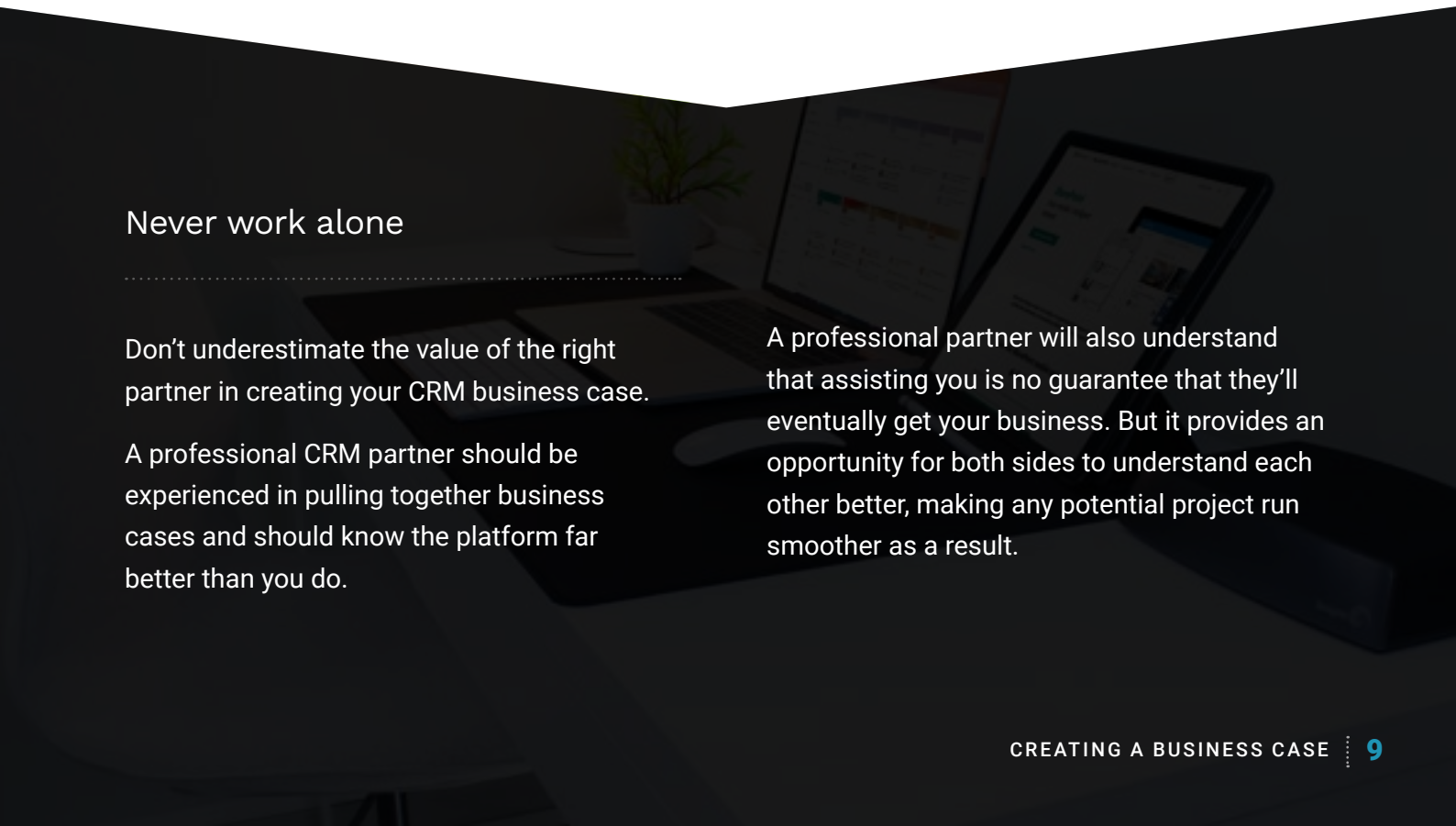
Obsolescence

Technology develops fast. With a long-term piece of software like a CRM system, it's easy to get left behind if your software provider isn't proactively developing the solution.

Demonstrate that your potential provider has staying power: a well-structured development roadmap, or a history of regular patches/ updates are both signs that your solution won't go out of date in a few years.

The points above are common risk areas, but you may be able to think of others relevant to your organisation or industry (e.g. regulation or data security).

Well-conducted analysis will prove persuasive as it shows you're looking at the complete picture, not just aspirational benefits.



Never work alone

Don't underestimate the value of the right partner in creating your CRM business case.

A professional CRM partner should be experienced in pulling together business cases and should know the platform far better than you do.

A professional partner will also understand that assisting you is no guarantee that they'll eventually get your business. But it provides an opportunity for both sides to understand each other better, making any potential project run smoother as a result.

Competitor Analysis

Building market share is a driver for many organisations. So the risk of falling behind competitors will spur even the most steadfast of leaders into action.

Therefore, your CRM case can gain gravitas if you can point to competitors already using CRM software, and how they may be benefiting from it.

Building a case

Detecting whether competitors have adopted CRM technology can be tricky. But signs will be there - you may need to look at their website code for tell-tale signs of automation.

You should then look for signs of increased performance: increased financial turnover, hiring more frequently or new large customer case studies on a website are all potential indicators of success.

Real results

No matter how accurate or enticing ROI calculations, real-life examples and results always resonate more.

And if it's a company you're competing with - or aspiring to compete with - then CRM adoption can be seen as a way of levelling the playing field.



Driving Change

With a comprehensive business case for adopting a CRM system, you'll be in a strong position to spearhead change within your organisation.

Building market share is a driver for many And as with any change, you'll need to expect resistance from other stakeholders, either due to the costs or simply because change represents an unknown.

Ensure that the focus of your business case stays on results, rather than the 'ins and outs' of how a CRM works, or the rights and wrongs of how you currently operate. And above all, ensure that it will work for the whole organisation, not just your area of interest.

About Akita Intelligent Solutions

We design, develop and support business intelligence technologies for organisations across the UK and internationally.

As a Microsoft Dynamics 365 partner, we've taken organisations through all stages of CRM development - and then through multiple further phases of development as initial solutions have exceed expectations.

To discuss creating a business case for a Microsoft Dynamics CRM solution in your organisation, please get in touch.



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